

The following is an excerpt of an article written by Douglas A. Dribben, U.S. Army Claims Service, and published in June 2009 edition of The Army Lawyer.

There are three general methods for processing claims arising from use of a rental vehicle. The first method is through the Visa travel card. The second is through the Defense Travel Management Office (DTMO) rental agreement and the third method is through the rental company as a contract claim.

Visa provides rental coverage benefits to government travelers who “initiate and complete the entire rental transaction with an eligible Visa card, and decline the vehicle rental company’s collision damage waiver (CDW/LDW) option or similar provision, if offered by the auto rental company.” The coverage is for loss or damage to the rental vehicle only; it will not cover claims of third parties’ property damage, personal injury, or death arising from a collision with a rental vehicle involved in an accident. The traveler must contact the Visa Benefits Administrator in order to trigger the coverage in the event of automobile loss or damage. Contact must be made within forty-five days from the date of loss or damage. The coverage applies to most rental vehicles rented for thirty-one consecutive days or less. Visa also excludes coverage for misuse of the rental vehicle.

To report an incident, the traveler must contact Visa within the time limits described above, then file by mail or online. Either method requires the traveler to provide a Visa claim form, evidence that the rental was made and paid for with the Visa Travel Card, a scope statement from the renter’s unit, the rental agency’s accident report form, a police report, an itemized estimate or repair bill and photographs of the damage. The Visa Benefits Administrator must receive these documents within ninety days of the date of loss or damage.

The DTMO Agreement provides coverage for loss or damage to the rental vehicle and third-party liability coverage for property damage, personal injury, or death arising from a collision with a vehicle rented under the terms of the Agreement. The Government traveler must be in official travel status. Travelers can authenticate that status by presenting the rental agency a copy of official travel orders or authorization at the time the traveler collects the vehicle. Presenting a government travel card (MasterCard or Visa) also authenticates official travel status. Since travelers are required to use the commercial travel office and the government travel card under the Travel and Transportation Reform Act of 1998, the traveler should always use the government travel card to invoke both the terms of the Agreement and the coverage the card provides.

The DTMO Agreement does not apply to fleet rentals. Units desiring to reserve a fleet of vehicles should consider this important element, and determine whether their needs would allow drivers to rent the required vehicles individually, thereby invoking this coverage.

Under the DTMO Agreement, all government employees age eighteen or older and properly licensed are authorized to operate the rental vehicle without being listed as authorized drivers in the rental agreement. While the DTMO Agreement specifically covers such non-authorized drivers, the government travel card may not cover loss or damage caused by a driver not listed as an authorized driver in the rental agreement. Thus, the traveler should specify all potential drivers in the rental agreement as authorized drivers.

The DTMO Agreement provides total coverage for loss or damage to the rented vehicle with no limitation. This coverage includes towing, administrative costs, loss of use, and other charges arising from the loss or damage. The DTMO Agreement applies to standard rental cars. Units requiring vehicles not covered should consider whether using several covered vehicles, with the liability coverage under this DTMO Agreement, may better meet their needs than using one or more non-covered vehicles.

Should the vehicle become lost or damaged, the traveler should report the incident to the rental agency immediately, obtain a police report, if available, and complete a rental company accident report.

If the vehicle is lost or damaged due to one of the listed exceptions (for example, if the vehicle is stolen because the traveler left the keys in the ignition), the rental agency must bill the traveler’s unit directly, and

not the traveler. If the unit determines that the traveler was within the scope of his employment when the loss or damage occurred, the unit pays the rental agency's claims from the unit temporary duty funds used to pay the travel, using its servicing Defense Finance and Accounting Service. If the unit determines that the traveler was not acting within the scope of his employment when the loss or damage occurred (for example, if the driver was under the influence of alcohol), then the unit will inform the rental agency, and the rental agency may proceed against the traveler individually.

The traveler must pay the damage claim and submit a claim for reimbursement on his travel voucher through the servicing claims office for adjudication. With the claim, the traveler must include any police report, traffic citations, witness statements, traveler's statement, itemized bills or estimates of repair, and other supporting documentation.

Should you have any further questions, please feel free to contact the Fort Leavenworth Claims Office at 913-684-5371.